

# State Of New Hampshire Monthly Revenue Focus

## Department of Administrative Services

Commissioner Donald S. Hill



### Monthly Revenue Summary

	<u>FY 06</u>	<u>FY 05</u>	<u>Inc/(Dec)</u>
<b>Gen &amp; Educ</b>	<b>\$ 253.6</b>	<b>\$ 227.7</b>	<b>\$ 25.9</b>
<b>Highway</b>	<b>\$ 16.8</b>	<b>\$ 20.5</b>	<b>\$ (3.7)</b>
<b>Fish &amp; Game</b>	<b>\$ 0.6</b>	<b>\$ 0.5</b>	<b>\$ 0.1</b>

### Current Month Analysis

<b>General &amp; Education Funds</b>	<i>FY06 Actuals</i>	<i>FY06 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$ 43.0	\$ 55.9	\$ (12.9)
Business Enterprise Tax	45.6	30.5	15.1
Subtotal	88.6	86.4	2.2
Meals & Rooms Tax	14.9	15.3	(0.4)
Tobacco Tax	9.6	11.7	(2.1)
Liquor Sales and Distribution	8.0	8.1	(0.1)
Interest & Dividends Tax	35.4	26.5	8.9
Insurance Tax	0.8	0.7	0.1
Communications Tax	5.9	6.0	(0.1)
Real Estate Transfer Tax	9.4	11.3	(1.9)
Estate & Legacy Tax	-	0.5	(0.5)
Court Fines & Fees	2.3	2.4	(0.1)
Securities Revenue	15.7	15.2	0.5
Utility Tax	0.5	0.5	-
Board & Care Revenue	1.1	1.2	(0.1)
Beer Tax	1.0	0.9	0.1
Racing Revenue	0.2	0.2	(0.0)
Other	5.4	5.4	-
Transfers from Lottery/Pari-Mutuel	6.8	6.3	0.5
Tobacco Settlement	38.5	43.0	(4.5)
Utility Property Tax	4.6	5.7	(1.1)
State Property Tax	-	-	-
Subtotal	248.7	247.3	1.4
Net Medicaid Enhancement Rev	0.1	0.1	(0.0)
Recoveries	4.8	1.5	3.3
Subtotal	253.6	248.9	4.7
Other Medicaid Enhancement Rev to Fund Net Appropriations	-	-	-
Total	\$ 253.6	\$ 248.9	\$ 4.7

Unrestricted revenue from the General and Education Funds for April totaled \$253.6 million, which was above plan by \$4.7 million and ahead of prior year by \$25.9 million. Year to date (YTD) revenue totaled \$1,873.6 million, which was above plan by \$42.4 million and ahead of prior year by \$70.8 million.

**Business taxes (BPT & BET)** for April totaled \$88.6 million, which was above plan by \$2.2 million and above prior year by \$15.3 million. On a YTD basis, revenue from business taxes totaled \$445.3 million which was above plan by \$42.9 million (11%) and ahead of prior year by \$69.8 million (19%). The favorable variances are due to audit settlements and repatriation collections, which occurred early in the year. During April, corporations file their 1<sup>st</sup> quarterly estimated payment based on their final returns filed last month. According to the Department of Revenue, corporate returns for extensions were significantly greater than the previous year, which means final amounts will not be known till the fall and may result in greater refund activity.

The **Interest & Dividends Tax (I&D)** collections for April totaled \$35.4 million, and were above both plan and prior year by \$8.9 million and \$7.7 million, respectively. YTD receipts are also above plan by \$9.8 million (17%) and ahead of prior year by \$12.5 million (22%). It appears that the favorable variance is the result of increased dividend activity and higher interest rates. Final returns and the first quarter estimate payments were due April 15.

As can be seen in the table on the next page, the growth in the **Real Estate Transfer Tax (RET)** has leveled off during the last few months. With signs of a slowing real estate market, YTD RET collections are tracking behind plan and slightly ahead of the prior year. The RET totaled \$9.4 million for the month, which was below plan by \$1.9 million. YTD revenue from RET totaled \$133.6 million which was also below plan by \$7.7 million (5%) but ahead of prior year by \$3.3 million (3%).

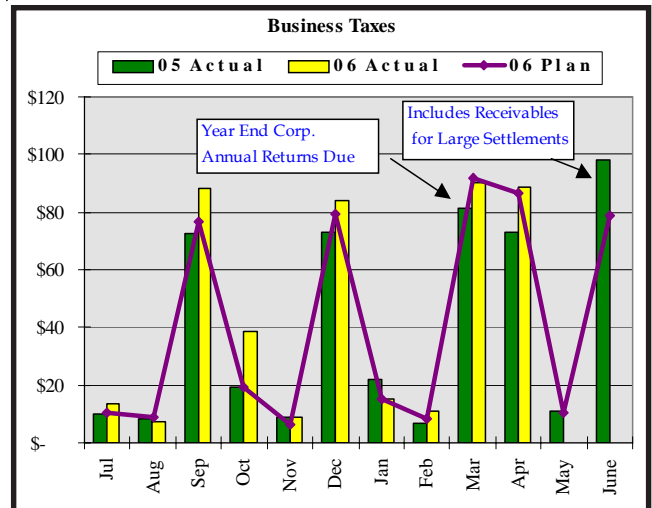
During April, the state received the annual payment from the nationwide **Tobacco Settlement**, bringing YTD revenue to \$39.0 million, which was behind plan by \$4.0 million. The shortfall is due to some tobacco companies reducing their payments due to a disputed interpretation of a provision in the Master Settlement Agreement (MSA) called the Non-Participating Manufacturer (NPM) adjustment. This adjustment stipulates that payments *may* be reduced if market share of the Participating Manufacturers (PM's) shifts to the NPM's as a result of the PM's obligations under the MSA. The state disagrees with the PM's interpretation of the NPM adjustment and is currently in litigation for the disputed payments.

*Fiscal 2005 amounts are UNAUDITED  
All funds reported in Millions and on a Cash Basis*

## RET Growth Analysis

(In Millions)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
FY06	16.6	16.7	17.6	14.8	14.1	14.0	11.9	10.6	7.9	9.4
Plan	16.6	16.2	17.1	14.9	14.9	13.9	15.5	11.9	9.0	11.3
Mo over plan	-	0.5	0.5	(0.1)	(0.8)	0.1	(3.6)	(1.3)	(1.1)	(1.9)
%	0%	3%	3%	-1%	-5%	1%	-23%	-11%	-12%	-17%
YTD Excess(Shortfall)	0	0.5	1.0	0.9	0.1	0.2	(3.4)	(4.7)	(5.8)	(7.7)
%	0%	2%	2%	1%	0%	0%	-3%	-4%	-4%	-5%



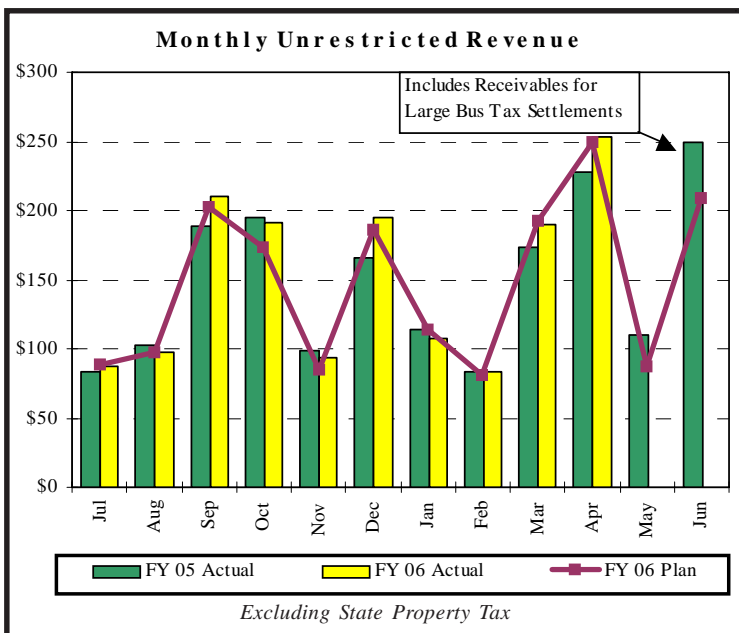
## General &amp; Education Funds Comparison to FY 05

General & Education Funds	Monthly			Year-to-Date			
	FY06 Actuals	FY05 Actuals	Inc/(Dec)	FY06 Actuals	FY05 Actuals	Inc/(Dec)	% Inc/(Dec)
Business Profits Tax	\$ 43.0	\$ 42.2	\$ 0.8	\$ 197.2	\$ 176.3	\$ 20.9	11.9%
Business Enterprise Tax	45.6	31.1	14.5	248.1	199.2	48.9	24.5%
Subtotal	88.6	73.3	15.3	445.3	375.5	69.8	18.6%
Meals & Rooms Tax	14.9	14.2	0.7	170.5	163.2	7.3	4.5%
Tobacco Tax	9.6	7.9	1.7	120.6	82.6	38.0	46.0%
Liquor Sales and Distribution	8.0	7.6	0.4	99.6	94.4	5.2	5.5%
Interest & Dividends Tax	35.4	27.7	7.7	68.5	56.0	12.5	22.3%
Insurance Tax	0.8	1.0	(0.2)	71.3	70.8	0.5	0.7%
Communications Tax	5.9	5.8	0.1	58.8	56.9	1.9	3.3%
Real Estate Transfer Tax	9.4	10.6	(1.2)	133.6	130.3	3.3	2.5%
Estate & Legacy Tax	-	0.1	(0.1)	4.2	9.3	(5.1)	-54.8%
Court Fines & Fees	2.3	0.9	1.4	24.0	21.0	3.0	14.3%
Securities Revenue	15.7	14.5	1.2	28.6	26.2	2.4	9.2%
Utility Tax	0.5	0.5	-	5.3	5.2	0.1	1.9%
Board & Care Revenue	1.1	1.5	(0.4)	10.9	10.3	0.6	5.8%
Beer Tax	1.0	0.9	0.1	10.6	10.3	0.3	2.9%
Racing Revenue	0.2	0.3	(0.1)	2.3	2.9	(0.6)	-20.7%
Other	5.4	5.6	(0.2)	44.7	45.2	(0.5)	-1.1%
Transfers from Lottery/Pari-Mutuel	6.8	4.8	2.0	60.6	52.7	7.9	15.0%
Tobacco Settlement	38.5	41.9	(3.4)	39.0	42.4	(3.4)	-8.0%
Utility Property Tax	4.6	4.8	(0.2)	15.1	15.7	(0.6)	-3.8%
State Property Tax	-	0.1	(0.1)	363.4	371.3	(7.9)	-2.1%
Subtotal	248.7	224.0	24.7	1,776.9	1,642.2	134.7	8.2%
Net Medicaid Enhancement Rev	0.1	0.1	-	73.6	123.3	(49.7)	-40.3%
Recoveries	4.8	3.6	1.2	23.1	15.5	7.6	49.0%
Subtotal	253.6	227.7	25.9	1,873.6	1,781.0	92.6	5.2%
Other Medicaid Enhancement Rev to Fund Net Appropriations	-	-	-	-	21.8	(21.8)	-100.0%
Total	\$ 253.6	\$ 227.7	\$ 25.9	\$ 1,873.6	\$ 1,802.8	\$ 70.8	3.9%

# Year-to-Date Analysis

General & Education Funds	General		Education		Total		
	Actual	Plan	Actual	Plan	Actual	Plan	Actual vs. Plan
Business Profits Tax	\$ 161.4	\$ 190.4	\$ 35.8	\$ 41.9	\$ 197.2	\$ 232.3	\$ (35.1)
Business Enterprise Tax	146.2	51.0	101.9	119.1	248.1	170.1	78.0
Subtotal (1)	307.6	241.4	137.7	161.0	445.3	402.4	42.9
Meals & Rooms Tax	164.3	168.1	6.2	6.3	170.5	174.4	(3.9)
Tobacco Tax	56.1	60.7	64.5	60.7	120.6	121.4	(0.8)
Liquor Sales and Distribution	99.6	100.9	-	-	99.6	100.9	(1.3)
Interest & Dividends Tax	68.5	58.7	-	-	68.5	58.7	9.8
Insurance Tax	71.3	74.0	-	-	71.3	74.0	(2.7)
Communications Tax	58.8	59.3	-	-	58.8	59.3	(0.5)
Real Estate Transfer Tax	89.4	94.3	44.2	47.0	133.6	141.3	(7.7)
Estate & Legacy Tax	4.2	5.8	-	-	4.2	5.8	(1.6)
Court Fines & Fees	24.0	25.0	-	-	24.0	25.0	(1.0)
Securities Revenue	28.6	28.3	-	-	28.6	28.3	0.3
Utility Tax	5.3	5.3	-	-	5.3	5.3	-
Board & Care Revenue	10.9	10.2	-	-	10.9	10.2	0.7
Beer Tax	10.6	10.4	-	-	10.6	10.4	0.2
Racing Revenue	2.3	2.8	-	-	2.3	2.8	(0.5)
Other	44.7	44.4	-	-	44.7	44.4	0.3
Transfers from Lottery/Pari-Mutuel	-	-	60.6	56.1	60.6	56.1	4.5
Tobacco Settlement	-	-	39.0	43	39.0	43.0	(4.0)
Utility Property Tax	-	-	15.1	17.1	15.1	17.1	(2.0)
State Property Tax	-	-	363.4	363.0	363.4	363.0	0.4
Subtotal	1,046.2	989.6	730.7	754.2	1,776.9	1,743.8	33.1
Net Medicaid Enhancement Rev	73.6	72.8	-	-	73.6	72.8	0.8
Recoveries	23.1	14.6	-	-	23.1	14.6	8.5
Subtotal	1,142.9	1,077.0	730.7	754.2	1,873.6	1,831.2	42.4
Other Medicaid Enhancement Rev to Fund Net Appropriations	-	-	-	-	-	-	-
Total	\$ 1,142.9	\$ 1,077.0	\$ 730.7	\$ 754.2	\$ 1,873.6	\$ 1,831.2	\$ 42.4

(1) Excludes Business Tax Cash Settlements of approximately \$33.5 million. These were recorded as a receivable and recognized in FY 2005. All revenue collected during April and May for Business Taxes will remain in the General fund until the next quarterly transfer to the ETF occurs in June.



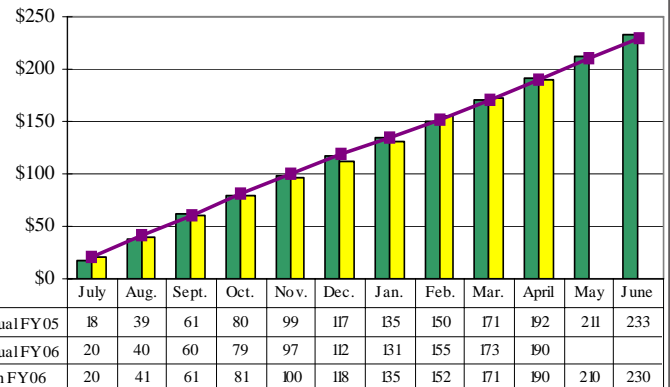
Education Trust Fund Statement of Activity - FY 2006 July 1, 2005 to April 30, 2006	
Description	In Millions
Beginning Surplus (unaudited)	\$ -
Unrestricted Revenue - See above	730.7
Transfers from General Fund Appropriations (net)	-
Expenditures	
Education Grants & Adm Costs	(841.5)
Ending Surplus (Deficit)	\$ (110.8)

## Year-to-Date Analysis

### Highway Fund

<i>Revenue Category</i>	<i>FY 06 Actuals</i>	<i>FY 06 Plan</i>	<i>Actual vs. Plan</i>
Gasoline Road Toll	\$ 108.0	\$ 109.9	\$ (1.9)
Miscellaneous	10.4	8.3	2.1
<b>Motor Vehicle Fees</b>			
MV Registrations	56.9	54.9	2.0
MV Operators	3.8	5.7	(1.9)
Inspection Station Fees	3.0	3.3	(0.3)
MV Miscellaneous Fees	3.7	3.5	0.2
Certificate of Title	4.1	4.7	(0.6)
<b>Total Fees</b>	<b>71.5</b>	<b>72.1</b>	<b>(0.6)</b>
<b>Total</b>	<b>\$ 189.9</b>	<b>\$ 190.3</b>	<b>\$ (0.4)</b>

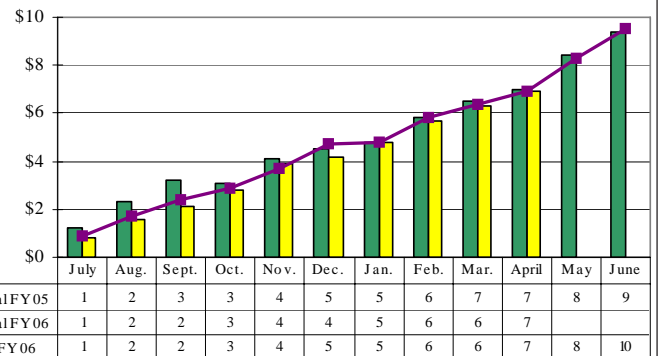
Cumulative Unrestricted Revenue



### Fish & Game Fund

<i>Revenue Category</i>	<i>FY 06 Actuals</i>	<i>FY 06 Plan</i>	<i>Actual vs. Plan</i>
Fish and Game Licenses	\$ 5.6	\$ 6.0	\$ (0.4)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.4	0.3	0.1
Federal Recoveries Indirect Costs	0.8	0.5	0.3
<b>Total</b>	<b>\$ 6.9</b>	<b>\$ 6.9</b>	<b>\$ 0.0</b>

Cumulative Unrestricted Revenue



**Department of Administrative Services**  
**Donald S. Hill, Commissioner**  
**State House Annex - Room 120**  
**25 Capitol Street**  
**Concord, New Hampshire 03301-6312**  
**Phone: (603)271-3201 Fax: (603)271-6600**  
**TDD Access: Relay NH 1-800-735-2964**

**Division of Accounting Services**  
**Sheri L. Rockburn**  
**State House Annex - Room 310**  
**25 Capitol Street**  
**Concord, New Hampshire 03301-6312**  
**Phone: (603) 271-3181 Fax: (603) 271-6666**  
**TDD Access: Relay NH 1-800-735-2964**